

ANKIT MANGLA

ADVOCATE

Dated: 09th January 2021

Policybazaar Insurance Brokers Private Limited
(Through its Directors)

Having its Registered Office at:

Plot No. 119, Sector 44,
Gurugram, Haryana 122001

Re: Violation of the Insurance Act, 1938, IRDA Act 1999 and IRDAI (Insurance Surveyors and Loss Assessors) Regulations, 2015

My Client: Indian Institute of Insurance Surveyors and Loss Assessors, #6-1-73,
Office No. 104 & 106, First Floor, Saeed Plaza, Lakdikapool, Hyderabad- 500004

Dear Sir/Ma'am,

Under the instructions of and on behalf of my Client abovenamed, I address you as under:

1. My Client, Indian Institute of Insurance Surveyors and Loss Assessors ("**IIISLA**") was established under Section 25 of the Companies Act, 1956 (now defined under Section 8 of the Companies Act, 2013) and is promoted by Insurance Regulatory and Development Authority of India ("**IRDAI**") under Section 14(2)(f) of Insurance Regulatory and Development Authority Act, 1999 ("**IRDA Act**"). IIISLA is the governing body of the Insurance Surveyors and Loss Assessors ("**SLA**") in India and was incorporated, *inter alia*, for the purposes of promoting quality in profession of Surveyors and Loss Assessors through education and training facilitate introduction of best practices amongst its members and to disseminate technical information amongst its members to upgrade their skill and knowledge.



2. My Client understands that Policybazaar Insurance Brokers Private Limited ("**PIBPL**") has been granted a license by the IRDAI under Section 42D (1) of the Insurance Act, 1938 to act as an Insurance Aggregator under the said Act and owns and operated online through "policybazaar.com".
3. You are aware that an SLA is a professional that plays an important role in the process evaluation and settlement of claims pertaining to general insurance policies. The primary responsibility of an SLA is to estimate the liability of the loss incurred by the policyholder, who has taken insurance cover, to enable the insurance company to arrive at the amount to be paid to the policyholders under the terms of the insurance contract. The profession of SLAs is a regulated profession under the Insurance Act, 1938 and the same serves as a link between the insurer and the insured.
4. As you must also be aware that every intermediary, which includes insurance companies/aggregators such as PIBPL, under the Insurance Act, 1938 is bound by the Insurance Regulatory and Development Authority of India (Insurance Surveyors and Loss Assessors) Regulations, 2015 ("**Surveyor Regulations**"). It is stated that the Surveyor Regulations have been framed by the IRDAI in exercise of the powers conferred to it under clause (x) and (xa) of sub-section 2 of



Section 114A read with Section 42D, 42E and 64UM of the Insurance Act, 1938, and Sections 14 and 26 of the IRDA Act.

5. I would like to draw your attention to Regulation 12 of the Surveyor Regulations which introduced two classes of claims, i.e., Motor Insurance and Claims other than Motor Insurance. It has been envisaged that for claims above INR 50,000/- in cases of Motor Insurance, and for claims above INR 1,00,000/- in cases of claims other than Motor Insurance, an SLA shall be appointed for its survey and assessment of damages. It also clearly lays down that the SLA shall be appointed by either the insurer or the insured.

6. My Client has come across certain sections and services that you are providing to your customers that are in violation of the said regulation. The section providing for "Self-Video Claims" states that the plan offers quick and easy inspection at the time of claims using policy bazaar's video inspection application for evaluation of damages and approval upto INR 1,00,000/-. Please note that if the claims fall under the two categories stipulated under Regulation 12 as mentioned above, it is necessarily to be assessed and surveyed by an independent SLA which shall be appointed by either the insured or the insurer. However, my Client verily believes that the same is not being done in cases where your customers are choosing to opt for "Self Video Claims".

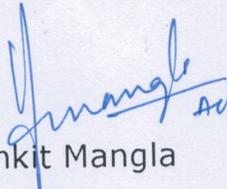


7. Further, under the section "Spot Claims upto Rs. 2 lakhs" on your website, it is stated that the customer can upload pictures/video of the damage which shall be sent to the Insurer, and the Insurer would offer/transfer the assessed cost of repair upfront. It also states that the customer can repair his vehicle and submit the bills after repair.
8. It is stated that the Surveyor Regulations do not envisage a self-survey of the claims by using a mobile application to upload videos/photos of the subject matter in case it falls under the two classes as contemplated in the Regulation 12, and therefore, the acts abovementioned are in clear violation of the said regulations, IRDA Act and the Insurance Act, 1938. It also appears from the abovesaid that PIBPL is indulging in outsourcing of the appointment of SLAs, against which a clear prohibition is created in the same regulation as well as the IRDA Circular No. IRDA / NL / Cir / Misc / 129/07/2015 Dated 14/07/2015.
9. While my Client does not have the details about your internal operations, and your commercial transactions with the insurance companies, it legitimately believes that the said services are being offered without proper compliance of the Surveyor Regulations. It is stated that by way of your abovesaid acts, you are misguiding and misrepresenting to your customers, who, in turn, may have to bear the brunt of the same. The abovementioned contents and services being

provided on your website are in clear contravention of the Surveyor Regulations, IRDA Act and the Insurance Act, 1938.

10. In view of the circumstances mentioned above, you are requested to discontinue the services as mentioned above and cease and desist from displaying the same on your website or in the alternative, provide clarifications on your commercial transactions and compliances with respect to the provisions as stated above to my Client within 15 days of receipt of this notice, failing which my Client will be constrained to take appropriate steps as provided under law.
11. This is without prejudice to my Client's rights, remedies and contentions, all of which are reserved.

Please take notice accordingly.


Ankit Mangla
Advocate

